

11 November 2019

Circular on the contents to be included in the Written Declaration to be submitted to the MFSA on Continuous Professional Development Requirements

1.0 Introduction

1.1 On the 12th July 2018, the MFSA issued the Insurance Distribution Rules, which came into force on the 1st October 2018. Chapter 7 on Continuous Professional Development of Part B of the Insurance Distribution Rules transposes the continuous professional training or development requirements required in terms of Article 10(2) of the Insurance Distribution Directive. Chapter 7 requires:

(a) a person/s within the management structure of an authorised insurance undertaking or an authorised reinsurance undertaking who is designated to be responsible for the distribution in respect of insurance and reinsurance products and those persons managing the insurance distribution activities or reinsurance distribution activities to be carried out; and

(b) a person/s registered in the Agents Register, Managers Register or Brokers Register responsible for the carrying out of insurance distribution activities or reinsurance distribution activities, as specified in article 11(1) of the Insurance Distribution Act,

hereinafter referred to as the “relevant persons” to submit to the MFSA a written declaration, that the relevant persons, Tied Insurance Intermediaries, Ancillary Insurance Intermediaries and the relevant employees, identified in paragraph 7.2.1(d) of Chapter 7 have successfully completed the relevant professional training and development established in Chapter 7, on an annual basis. The written declaration is to be submitted to the MFSA once the relevant person ensures that the relevant person and the relevant employees fulfil the requirements in paragraphs 7.6.1 and 7.6.3 of the Chapter 7.

1.2 Following the publication of the Insurance Distribution Rules, the MFSA also circulated a letter entitled *Changes in the legislation introduced by the Insurance Distribution Legislation* to all authorised insurance undertakings, insurance agents, insurance managers and insurance brokers enrolled under the Insurance Distribution Act. In the said letter, the MFSA informed the relevant persons that initial submission of the written declaration will be not later than the 31st January 2020.

1.3 It is to be noted that following the submission of the written declaration on the 31st January 2020, the written declaration shall be submitted annually by the end of January of each year.

2.0 Contents of the Written Declaration

2.1 The MFS

A expects the written declaration to:

- (a) identify the name of the authorised insurance and reinsurance undertaking or the insurance agent, insurance manager or insurance broker;
- (b) indicate the period which the written declaration covers, for instance 1st January 2019 to 31st December 2019;
- (c) indicate the number of persons who have received CPD training as follows:

	Number of persons who have received CPD training
Relevant Persons	
Relevant Employees ¹	
Tied Insurance Intermediaries ²	
Ancillary Insurance Intermediaries ³	

- (d) contain a declaration that the persons identified in the table above have successfully completed the relevant professional training and development as established and required in paragraph 7.6.4 of Chapter 7 of the Insurance Distribution Rules; and
- (e) be signed by the individuals denoted in the table below as applicable (by license type):

Authorised Insurance Undertaking or authorised Reinsurance Undertaking	The board member responsible for the oversight of the insurance or reinsurance distribution activities or the person within the management structure who is designated to be responsible for the distribution <u>and</u> the Compliance Officer
Enrolled Insurance Agent	The Registered Agent <u>and</u> the Compliance Officer
Enrolled Insurance Manager	The Registered Manager <u>and</u> the Compliance Officer
Enrolled Insurance Broker	The Registered Broker <u>and</u> the Compliance Officer

¹ Relevant employees are those employees directly involved in the carrying out of distribution in respect of insurance or reinsurance products of an authorised insurance undertaking carrying out insurance distribution activities or of an authorised reinsurance undertaking carrying out reinsurance distribution activities and those relevant employees directly involved in the carrying out of insurance distribution activities and reinsurance distribution activities of a person enrolled in the Agents List, Managers List or Brokers List.

² Applicable only to authorised insurance undertaking and an insurance agent enrolled under the Act (unless otherwise mandated by the authorised insurance undertaking).

³ Applicable only to authorised insurance undertaking and an insurance agent enrolled under the Act (unless otherwise mandated by the authorised insurance undertaking), and an insurance broker enrolled under the Act.

3.0 Special Notes on the Written Declaration to be submitted by 31 January 2020

3.1 In the letter entitled *Changes in the legislation introduced by the Insurance Distribution Legislation* the MFSA also stated that the entities are not required to carry out the 15 hours of CPD training for the period 1st October 2018 to 31st December 2018. Notwithstanding this, the MFSA expected the relevant persons, relevant employees and Tied Insurance Intermediaries to dedicate a few hours of continuous professional development during that period. In view of this requirement, it is to be noted that the written declaration to be submitted by the 31 January 2020, is to contain two tables. One table shall contain the information identified in paragraph 2.1 of this Circular for the period of 1st October 2018 to 31st December 2018 and another table containing the information identified in paragraph 2.1 for the period 1st January 2019 to the 31st December 2019.

4.0 Submission of the Written Declaration

4.1 The written declaration is to be submitted through the Licence Holder Portal ('LH Portal'), as from January 2020. The LH Portal contains Guidelines on the file naming convention. Following the completion of the form on the LH Portal, the CPD written declaration is to be scanned and attached in a ZIP file.

5.0 Contacts

Any queries or requests for clarifications in respect of the above should be sent by email on ipsu@mfsa.com.mt.